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ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

EE/PP/G

SJ

3928

NO.

14459

DATE

26 February 1954

TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
		REC'D	FWD'D		
1. <i>EE/PP/G</i>				<i>5 Mar 1954</i>	<i>2</i>
2. <i>DC/E/E</i>				<i>10 Mar '54</i>	<i>BEC</i>
3. <i>PT/AD</i>		MAR 11 1954		<i>PWS</i> <i>MC</i>	<i>Warfare</i>
4. <i>RI/AD</i>				<i>12 Mar '54</i> <i>R.R.</i>	<i>Germany</i>
5. <i>RI/AD</i>					
6. <i>25 MAR 1954</i> <i>RI/AD</i>				<i>7/1</i>	
7. <i>RI/AD</i>				<i>m.m</i>	
8. <i>RI/AD</i>		25 MAR 1954			
9. <i>RI/AD</i>					
10. <i>RI/AD</i>					
11. <i>RI/AD</i>					
12. <i>RI/AD</i>					
13. <i>RI/AD</i>					
14. <i>RI/AD</i>					
15. <i>RI/AD</i>					

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPT ON 3020
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

P/DM	TRAVEL PROGRAM
	ABSTRACT
	INDEX
P/FIS	PREPARE FOR FILMING
P/PH	FILM
	CODE NO. (2, 3, 4)
	BYDAY REST. CODE
ISO/BCU	CABLE IDEN. (11)
	NFO (8)
P/FILED	FOR FILING

Ward 37 1/26 3/27
ABSTRACT INDEX

DATE 25 MAR 1954

CARDED

16-01186-1

U. S. GOVERNMENT PRINTING OFFICE

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OFFICIAL DISPATCH

VIA AIR
(Specify Air or Sea Pouch)

DISPATCH NO. 14459
E3QW-21-109

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CLASSIFICATION

TO Chief of Mission, Frankfurt
FROM Chief, EE

DATE MAR 15 1954

INFO: COB, Berlin

SUBJECT { GENERAL Operational / GABORY
SPECIFIC LCCASSOCK / Project Outline and Administrative Plan

Enclosed please find the approved LCCASSOCK Project Outline
and Administrative Plan.

APPROVE

26 February 1954 /mlw

Attachments:

- A-Project Outline
- B-Administrative Plan

Distribution:

- COM - 3 (w/att)
- COB - 2 (w/att)
- RI - 1 (w/att)

THIS DOCUMENT IS
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(Coordinating officer)

EE/PP/G
(Authenticating officer)

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CLASSIFICATION

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LOCASOCK PROJECT OUTLINE

1. OBJECTIVE:

Project LOCASOCK is designed to prepare, print, and clandestinely distribute to selected East German and East Berlin target groups falsified editions of regularly licensed East German publications and other propaganda media such as pamphlets, leaflets and stickers. In addition, the LOCASOCK organization can provide intelligence information pertaining to the East Zone, as a by-product of distribution operations.

2. ORIGIN & POLICY GUIDANCE:

- a. Origin: NSC 10/2 and ER/PP Strategic Plan, Part 2 Paragraph 2
- b. Whence proposed: The project was originated in the field.

3. SITUATION:

United States foreign policy aims at the gradual reduction of the area of Soviet occupation and the liberation of the peoples in Soviet-occupied territory. To achieve this objective through peaceful means requires the development among the people's in these areas of a state of mind favorable to United States policy objectives and the maintenance of popular confidence in continuing Western concern for their eventual liberation.

Among the media of information adaptable to this purpose, falsified editions of official East German publications are particularly effective, because (1) they can be infiltrated and distributed in East Germany with a minimum of personal risk to the bearer, and (2) the contents of these editions can be directed, as propaganda needs and opportunities warrant, at specific Soviet Zone groups which are normally inaccessible to Western propaganda, such as the People's Police, the East German youth organization (FDJ), and the East German political parties, such as the LDP.

The value and advantages of this project, therefore, derive from the fact that it adds an effective propaganda and distribution mechanism to the psychological warfare facilities supported and controlled by the German Mission.

4. PROPOSAL:

It is proposed that KUBARK provide:

- (1) Financial support to the LOCASOCK staff organization and distribution groups in the amount of \$60,000 per annum, for the production and distribution in East Berlin and East Germany of falsified issues of bona fide East German magazines. In addition the LOCASOCK

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organisation will prepare, at the request of the German Mission, other types of propaganda such as leaflets, pamphlets and stickers.

(2) Editorial direction, guidance, and supervision of the production of these falsified magazines, and miscellaneous propaganda to be exercised through a staff officer in the field and a case officer in the home office.

5. OPERATIONAL OUTLINE:

a. Sub-proposals: The LCGASSOCK organisation has demonstrated that it is particularly capable and effective in the preparation of propaganda material which is directed at specific target groups in East Germany. All of the publications thus far produced within the scope of LCGASSOCK have indicated that the group is unique, in that, as a small organisation, it has the capability of preparing a number of different "professional type" magazines, each of which contains a convincing amount of technically correct information. Furthermore, reports which have been returned through the distribution channels have indicated that the stratagem of duplicating exactly the format and make-up of legitimate East German publications is in itself an unusual psychological attraction to readers of LCGASSOCK publications even after their true character may have been recognised. By duplicating the outer covers of legitimate East German publications, unusual distribution methods may be used which facilitate bringing copies directly into the hands of specific target groups.

b. Key personnel: The Principal Agent of project LCGASSOCK is the director and organizer of the LCGASSOCK staff and distribution groups. Formerly a free-lance journalist, he has been engaged in the publication and distribution of falsified East German newspapers and magazines since early 1950. A cleared indigenous agent residing in West Berlin, he was first contacted by a KUBARK staff officer in the fall of 1950, but was not utilised actively until April 1952.

c. Indigenous groups:

(1) The LCGASSOCK HEADQUARTERS staff is located in West Berlin. Although the size of the permanent staff varies from time to time on the basis of workload, it is currently composed of the Principal Agent, two editors, one security specialist, one administrative assistant, two secretaries and one safehouse keeper. The Principal Agent and the two editors who write or rewrite the material for distribution have journalistic backgrounds and have had personal experience with conditions in the East Zone. In addition to the permanent headquarters staff, free lance journalists who have a specialised knowledge of various aspects of East Zone life are employed on a one time and/or irregular basis.

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(2) The LCCASSOCK distribution net is divided into four separate groups, each of which is directed by a different individual. While the number of distributors of specific LCCASSOCK issues varies in accordance with the area and professional group to which the publication is targeted, the total number of LCCASSOCK distributors presently averages close to 100. Approximately 50% of the LCCASSOCK output is distributed through the project's own distribution nets in East Germany. The remainder is distributed through refugee groups, Berlin youth organizations, labor unions and similar organizations with whom the Principal Agent has established firm working relations. Distribution is carried out through these channels and by methods which are determined to be most capable of reaching the specific target group for whose consumption the publication is designed. In every case, final distribution is made by hand.

d. Target group: The target group for each dummy issue is determined by the political, operational and security considerations of the time that distribution is to take place. The most frequent target groups have been the functionaries of the LDP, the SED, the People's Police and East Zone farmer and labor groups.

e. Duration: The project is designed to continue for an indefinite length of time.

6. SECURITY:

a. Cover: Several wealthy Germans who were formerly German Naval colleagues of the Principal Agent are being used as cover for the source of funds for the project. This cover is backstopped, in that, should an inquiry be made as to source of funds, these individuals are willing to assert that they have been and are supporting the LCCASSOCK organization's activities.

b. Knowledgeability:

(1) Both the Principal Agent and the security officer are aware that they are dealing with official representatives of the United States Government.

(2) Plans are being made to coordinate KUBARK's support of LCCASSOCK with the Federal Republic Ministry for All-German Affairs (Kaiser Ministry). The LCCASSOCK organization was subsidized irregularly by the Kaiser Ministry for one-time operations from May 1950 until the summer of 1951. At that time the subsidy was put on a regular basis and provided for the production and distribution, in 20,000 copies each, of two dummy East German newspapers monthly. The Principal Agent's operations on behalf of the Kaiser

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Ministry were suspended in May 1952, as the result of personality differences and controversy with that office over terms of operation. They were resumed in May 1953, when Kaiser Ministry supported the production of one regular issue per month, but were again terminated in October 1953.

c. Operational security: Due to the increasing amount of attention being shown by Soviet authorities to Western psychological warfare activities, security consciousness is maintained at a high level during all operations conducted by the LCCASOCK group. In the past, in an effort to maintain compartmentation, only one member of the headquarters staff has had contact with the distribution groups, and this same employee and the principal agent were the only persons who dealt with the printing house, which is located in West Berlin.

d. Risks: The most serious risk involved in this operation would be incurred by the defection or kidnapping of the Principal Agent or other members of the headquarters organization. What was strongly believed to have been an attempt to kidnap the Principal Agent was made in the summer of 1952, when two unknown persons contacted the Principal Agent under highly suspicious circumstances, but it was rendered unsuccessful through the efforts of the LCCASOCK security officer and the cooperation of the MIOG Office of Public Safety. Because of the nature of the project, that of disseminating anti-Communist propaganda, and the fact that the area of operations is the East Zone of Germany, it is believed that repercussions in the event of a compromise would not be very great either in the United States or abroad.

e. Personnel disposal: It is not believed that disposal of personnel will constitute an abnormal problem either during or at the termination of the project.

f. Disaster plan: Transfer of individuals involved in this operation and the abandonment and/or destruction of incriminating materials in the event of a hot war will take place in accordance with the Eastern European Division's Disaster Plan for Germany.

7. COORDINATION:

a. Relation to other projects: As the publication of falsified magazines requires a considerable amount of detailed, correct and exact information on the specified subject of the magazine selected, the LCCASOCK editors must rely upon the expert advice of specialist organizations. To this end, the Principal Agent has developed excellent contacts among such organizations as DTLINEN, CADMOF, the German trade unions, refugee organizations, etc., which render technical assistance and supply specialized information as required.

b. Significance within over-all program in area: Project LCCASOCK, as part of the EDCARP program for information media, constitutes a valuable

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PP asset in that it promotes the spirit of resistance of the East Zone population by providing highly specialised propaganda material which can be tailored to fit specific groups, which are not generally accessible to Western propaganda, at the politically most opportune moment. In addition it is expected that LCCASSOCK facilities will be used to replace some of the former BISCAFF/QMBACON production.

a. Extent of coordination: The coordination necessary for the successful achievement of the project objectives will be established through the KUBARK German Mission with other agencies of the ^{OD40KC} requiring knowledge of this operation, such as the DOPAL

To date, this project has been coordinated with ~~KUBARK~~, in connection with the transfer of LGLAVER funds to the KUBARK German Mission to finance LCCASSOCK, and the utilisation of the LGLAVER Office of Public Safety for investigating a suspected kidnapping plot against the Principal Agent. In addition, plans are being made for the coordination of the project with the West German Government (see 6 b (2)).

8. CONTROL

a. Nature: The field will exercise direct control by means of financial aid and editorial guidance. Secondary control will be exercised by the KUBARK German Mission, which will control the field operations, and by Headquarters, which will exercise normal financial, editorial, and administrative, control of this project. Editorial control in the field will be exercised in the following manner: each publication to be falsified will be selected by the Case Officer and Principal Agent upon the basis of a joint analysis of which East German magazine would be the most effective vehicle for carrying a specific and timely propaganda message to a selected target audience. The LCCASSOCK editors will write the articles for the magazine on the basis of broad principles established between the Case Officer and the Principal Agent. Prior to actual distribution, the Case Officer will make a final check of the printed edition.

b. Administrative plan: An Administrative Plan has been prepared for LCCASSOCK, and coordinated by the appropriate offices.

c. Reports: The usual reports requirements, as outlined in RI 50-11 and implementing regulations, will apply to this project. Reports covering the distribution of each falsified edition and of the miscellaneous propaganda will be submitted to the Principal Agent by the distribution group. Distribution reports and reports of effectiveness will be consolidated by the Principal Agent and submitted to the Case Officer.

9. BUDGET DATA:

a. Total KUBARK funds required for FY 54: Total KUBARK funds which are requested for the third and fourth quarter of FY 54 amount to \$30,000.

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(See Attachment G for a financial breakdown).

b. Availability of Funds: KUBARK funds in the amount of \$30,000 are available for Project LOGASSOCK from the EE Division allotment of FY 54.

c. Non-KUBARK funds: With the approval of this project, no non-KUBARK funds will be utilized.

d. Foreign currency: NA

e. Funding: Funds which are advanced by the field finance officer to the project case officer will be charged to the project as an obligation. The case officer will give the funds directly to the Principal Agent, who, in turn, will provide monthly accountings showing how the money was utilized. Upon receipt of these accountings the field finance officer will write off the obligated funds as an expenditure.

f. Financial history: In February 1952 the Principal Agent applied to LGLAVER for a grant to enable him to continue his anti-Communist activities. In line with the established policy by which LGLAVER engages only in "white" or "gray" psychological warfare activities, and by which KUBARK has the sole responsibility for truly covert operations, LGLAVER agreed to turn over the agent and his facilities to the German Mission. An arrangement between the LGLAVER Office of Public Affairs; Policy Staff, and the German Mission was effected on the basis of a LGLAVER grant of DM 10,000 (\$2,370) per month, for a period of nine months beginning 1 April 1952, was made available to the German Mission to finance the LOGASSOCK operation. The total sum of DM 90,000 (\$21,330) was passed by LGLAVER to the German Mission on 2 April 1952. The project is listed in LGLAVER files as Project OP-75 (PUB Contingency Fund). To provide for the continuation of the project following the expiration of the LGLAVER grant, the home office, on 19 December 1952, authorized the field to obligate up to DM 30,000 (\$7,110) of ZRGANDY funds to carry LOGASSOCK through the third quarter of FY 1953, at the rate of DM 10,000 per month. On 2 April 1953, the field was authorized to spend up to DM 40,000 (\$9,524) ZRGANDY funds for the fourth quarter of FY 53. During the first half of FY 54 the field was authorized to spend up to DM 120,000 (\$28,440) ZRGANDY for the production and distribution of two dummy issues per month in 20,000 copies each and of miscellaneous propaganda.

g. Future Requirements: It is anticipated that a total of \$60,000 will be required for FY 55.

10. SUPPORT DATA:

a. Total KUBARK personnel: Total KUBARK personnel necessary for the project will be one field and one headquarters case officer on a part-time basis. These personnel are presently available.

b. Material: NA

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c. Communications: No communications facilities beyond those now available to the KUBARK German Mission will be necessary.

d. Other KUBARK support: NA

e. Support from other ODYONE agencies: No support from other ODYONE agencies will be required other than that presently available to the German Mission, such as ODPAL and LOLAVER Office of Public Safety.

II. GENERAL CONSIDERATIONS:

a. Current status: Project LOGASOCK is already operative under the BISGART program covering information media. A KUBARK staff officer first contacted the Principal Agent in the fall of 1950, but did not utilize him actively until April 1952, when the agent applied for a LOLAVER grant to enable him to continue his anti-communist activities and was turned over by LOLAVER to the German Mission for exploitation. From April 1952 until the present the LOGASOCK organization has produced and distributed with PP support approximately thirty (30) falsified issues of East German newspapers or magazines in 20,000 copies each.

b. Commitments: The Principal Agent has been promised assistance to himself and family and to fear members of his staff in the event of the necessity for evacuation.

c. Effectiveness: The effectiveness of the project has been demonstrated by distribution reports, by letters and pictures sent by East Zone readers to an LOGASOCK cover address, and by remarks of East Zone officials concerning LOGASOCK material.

d. Anticipated results: See para 3 and 5 a.

e. Evaluation: The effectiveness of LOGASOCK material will be evaluated through reports from distributors, letters written by East Zone readers, and by comments by East Zone officials. It is not anticipated that any special support is required to effect evaluation.

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Subsidy Project
Administrative Plan

I. Funding

1. KUBARK's funds shall be made available for the operation of the project on the basis of an annual budget prepared by the EE Division and shall conform with the terms of the project approval. The concurrence of the Office of the Comptroller in the budget shall be obtained in the event the project is not to be referred to the PHG; however, if the project is referred to the PHG, no further request for concurrence in the budget is required.

2. Based on its approved allotment, the EE Division shall authorize the Chief, German Mission, Frankfurt, to make funds available to the Project Field Case Officer.

3. KUBARK funds paid over to the principal agent by the Project Field Case Officer will be primarily expended for the preparation, printing and distribution of PP/PW materials in the target area. The Field Case Officer shall obtain signed receipts from the final recipients, where practical, and in any event from the principal agent, stating the date and amount of funds received. These receipts shall be transmitted promptly to the German Mission Finance Officer in Frankfurt for retention.

II. Accounting and Reporting

4. The Field Case Officer shall obtain financial reports setting forth the use of KUBARK funds from the principal agent at not less than quarterly and preferably at monthly intervals. The financial reports will consist of a statement of cash receipts and disbursements of KUBARK funds for the period, to include the total Agency funds on hand at the beginning and at the end of the period. The cash disbursements will be itemized to show the purpose of the expenditures. Copies of financial reports will be transmitted to the German Mission Finance Officer in Frankfurt.

5. The principal agent shall certify that the financial statements reflect the current financial status of the project and the financial operations of the project for the period covered.

III. Publishing and Distribution Costs Determination

6. KUBARK will pay the principal agent for the cost of production and distribution of the propaganda material upon receipt and review of detailed cost statements from the principal agent. KUBARK's representative will review the propaganda materials for conformance with over-all

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KUBARK policies and examine the cost statements to determine whether a fair and reasonable price is being charged. In the latter regard both comparable cost figures and the special services rendered by the party will be considered.

7. To the extent that it is operationally feasible, the Chief of Station, or his designee, shall negotiate with the principal agent to determine a fair and reasonable payment for the publication and distribution of the propaganda material. In determining the payment for publication, it is recommended that such factors as the cost of paper, printing and other expenses and, if possible, the publication charges made by comparable organisations be considered.

8. There shall be an agreement in writing, if operationally feasible, providing the basis for determining the cost of publication and of distribution of the propaganda material, executed by the principal agent and the Chief of Station, or his designee. The original of the written contract will be retained by the Chief of Station. If for operational reasons, a written contract cannot be obtained, a memorandum by the Field Case Officer and concurred in by the Chief of Station, setting forth the terms of the oral agreement and the reasons for not obtaining a written contract, shall be prepared. Copies of all written contracts or memoranda shall be submitted to the Office of the General Counsel for post-review and subsequently forwarded to the Finance Division for file.

IV. Writeoff and Financial Control

9. The Authorized Field Certifying Officer is empowered to write off to expense all funds advanced to this project upon receipts signed by the principal agent.

10. The German Mission Finance Officer will establish a memorandum control account to reflect all advances of subsidy funds at the time the writeoff of advances is made. Advances shall be cleared from the memorandum control account upon receipt by the German Mission of financial statements, showing utilisation of funds in accordance with the terms of the agreements as outlined in Paragraph 8, *supra*.

11. A certificate from the Authorized Field Approving Officer that these funds were properly expended in the interest of the Agency shall accompany the financial statements.

V. Security Policy

12. The principal agent being utilised under this project has been previously cleared. All known witting personnel to be utilised under

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this project shall be cleared as appropriate. In addition, and where possible, at least the names of all other indigenous personnel who are deemed to be in a position to compromise, embarrass or interfere with the operation, must be submitted for security review.

VI. Audit

1J. An audit program shall be determined and carried out in accordance with KUBARK regulations.

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